GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4394
ANSWERED ON:25.08.2005
DEPOSITS FOR PETROL PUMP DEALERSHIP
Jagannath Dr. M.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a): whether Public Sector Oil Companies are taking a deposit/securities of Rs.2 lakhs to Rs.5 lakhs for giving the petrol pumps dealership depending upon volume of sales;

(b): if so, whether interest is given on such deposits/securities;

(c): if not, the reasons therefor;

(d): whether the Government would direct the Oil PSUs either to pay interest or to exempt such dealers from paying licence fee recovery keeping in view of the system of Kissan Seva Kendra; and

(e): if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): In terms of policy, the public sector oil marketing companies (OMCs) collect, a security deposit ranging from Rs.50,000/- to Rs.5 lakh, depending upon the estimated sales volume from dealers-select for retail outlets (petrol pumps). As this is a security deposit, it does not carry any interest. No security deposit is collected from dealerships reserved for the Scheduled Caste/Scheduled Tribe categories or from those eligible for financial assistance under the Corpus Fund Scheme.

(d)&(e): Under their "Kisan Seva Kendra" Scheme, Indian Oil Corporation Limited are collecting a security deposit of Rs.25,000 from selected candidate. As the collection of the security deposit is a commercial matter between the OMCs and the dealers-select, Government do not intervene in the matter nor do they propose to intervene.